PRESS RELEASE

BPER Group - Supervisory Review and Evaluation Process ECB

Stable capital requirements also for 2021 in line with the previous year

The capital ratios of BPER Group are significantly higher than the ECB's minimum capital requirements

Modena, 27 November 2020 - BPER Banca SpA ("BPER" or the "Bank") informs that the European Central Bank ("ECB"), in relation to the Supervisory Review and Evaluation Process ("SREP"), announced that it will not issue any decision on the prudential requirements in 2020 and, therefore, the Bank will have to comply with the requirements currently in place, also taking into account the regulatory change introduced since 12 March 2020[1].

Based on this, it is confirmed that BPER will have to maintain a minimum capital ratio in terms of **Common Equity Tier 1 ("CET1 ratio")** of **8.125%** on a consolidated basis for 2021, consisting of the sum of the minimum regulatory Pillar 1 requirement of 4.5%, the additional Pillar 2 requirement of 1.125%[2] and the Capital Conservation Buffer of 2.5%, while the minimum **Total Own Funds requirement ("Total Capital ratio")** must be equal to **12.5%**.

BPER's consolidated capital ratios as at 30 September 2020 are as follows:

- Common Equity Tier 1 (CET1) ratio Phased In pro-forma[3] of 14.61%. This ratio calculated on a pro-forma Fully Loaded basis comes to 13.03%[4];
- Total capital ratio Phased In pro-forma[5] of 17.53%.

These figures are significantly higher than the ECB's minimum capital requirements.

BPER Banca S.p.A.

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[1] In order to support supervised banks in their lending to the real economy under the extraordinary circumstances linked to the spread of the coronavirus (COVID-19), the ECB informed BPER Banca on 8 April 2020, with effect from 12 March 2020, about a new method for holding the Pillar 2 additional own funds requirement of 2%, having to be at least 56.25% of CET1 and 75% of T1. The Common Equity Tier 1 Ratio requirement to be met was therefore equal to 8.125% Phased in.

[2] See note 1.

[3] Reg. 2395/2017 "Transitional provisions for mitigating the impact of the introduction of IFRS 9 on own funds" introduced the transitional regime (the so-called "phased-in") for the impact of IFRS 9 on own funds, giving banks a chance to spread the effect on own funds over a period of 5 years (from March 2018 to December 2022), sterilizing the impact in CET1 by applying decreasing percentages over time. The BPER Banca Group has chosen to adopt the so-called "static approach" to be applied to the impact resulting from comparison between the IAS 39 adjustments at 31/12/2017 and the IFRS 9 adjustments at 1/1/2018. The "pro-forma" values reported include the result accrued during the third quarter, equal to € 95.9 million, for which the request for recognition in the Own Funds has not yet begun and will be finalized with reference to the reporting date for regulatory purposes of December 2020.

[4] The Fully Loaded Common Equity Tier 1 ratio pro-forma has been estimated excluding the effects of the transitional provisions in force and taking into account the result for the period, net of the expected pro-quota dividends, and the expected absorption of deferred tax assets relating to first-time adoption of IFRS9. The inclusion of the result for the period in CET1 is subject to the approval of the European Central Bank. The authorization process for the request for recognition of the result for the period has not yet begun and will be finalized with reference to the reporting date for regulatory purposes of December 2020.

[5] See note 3.

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